

QUICKTEL, INC.
DECEMBER 17, 2004

REPORT OF MANAGEMENT ON
COMPLIANCE WITH THE FEDERAL
COMMUNICATIONS COMMISSION'S
THIRD PAYPHONE ORDER



MONTGOMERY, ALABAMA

Dothan

Prattville

Wetumpka

INDEPENDENT ACCOUNTANTS' REPORT

Wilfred S. Bell, President
QuickTel, Inc.
Elizabeth, NJ

We have examined management's assertion, included in the accompanying Report of Management on Compliance with the Federal Communications Commission's Third Payphone Order that QuickTel, Inc. (the Company) complied with the requirements set forth in the Federal Communications Commission's Order 03-235 as of December 17, 2004. QuickTel, Inc.'s management is responsible for the assertion. Our responsibility is to express an opinion on the assertion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining on a test basis, evidence supporting management's assertion and performing such other procedures, as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, management's assertion referred to above is fairly stated, in all material respects, based on the requirements set forth in the Federal Communications Commission's Order 03-235.

This report is intended solely for the information and use of QuickTel, Inc. and others, as prescribed by the Federal Communications Commission's Order 03-235 Appendix C section 64.1320(b), and is not intended to be and should not be used by anyone other than these specified parties.

Jackson Thornton & Co. PC

Montgomery, Alabama
January 27, 2005

Report of Management on Compliance with the Federal Communications Commission's Third Payphone Order¹

Management of QuickTel, Inc. is responsible for complying with the requirements set forth in Federal Communications Commission (FCC) 03-235 ("Third Payphone Order") as of the date of this report.

Management has performed an evaluation of QuickTel, Inc.'s compliance with the requirements of the Third Payphone Order as of the date of this report. Based on this evaluation, we assert that QuickTel, Inc. has complied with the requirements of the Third Payphone Order.

QuickTel, Inc. complied with the requirements of this order in the following manner:

1. QuickTel, Inc. has developed a system to identify and collect completed coinless access code or subscriber toll-free payphone calls to completion.

QuickTel, Inc. identified coinless calls utilizing two parameters in accordance with industry standards as follows:

- a. Coinless calls with ANI II digit of 27 or 70; and
 - b. Have an answer duration of greater than or equal to zero.
2. QuickTel, Inc. has designated persons and contracted with Atlantax Systems, Inc., a third-party clearinghouse, to be responsible for tracking, compensating, and resolving disputes concerning completed payphone calls.
3. QuickTel, Inc. has developed data monitoring procedures to track completed payphone records from call origination through the payphone compensation process.
4. QuickTel, Inc. has established, internal protocols to ensure that any software, personnel and network changes do not adversely affect QuickTel Inc.'s ability to track payphone call records.
5. QuickTel, Inc. creates a quarterly compensable payphone call file by applying logic that matches call detail records against payphone identifiers to call data to identify and select compensable payphone records.

¹ The "Third Payphone Order" refers to *In the Matter of The Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996*, CC Docket No. 96-128, Report and Order, released October 3, 2003 by the Federal Communications Commission ("FCC"). The requirement of the Third Payphone Order are set forth in the Appendix C of the above referenced Report and Order.

6. QuickTel, Inc. has developed procedures to provide a compensable payphone call file to Atlantax Systems, Inc. for purposes of creating the following required quarterly reports:

Completing Carrier Reports

- a. A list of toll-free and access numbers dialed from each of the payphone service provider's payphones and the Automated Number Identification ("ANI") for each payphone;
- b. The volume of calls for each number identified in "a" above that were completed by QuickTel, Inc.;
- c. The name, address, and phone number of the person or persons responsible for handling QuickTel Inc.'s payphone compensation; and
- d. The carrier identification code ("CIC") of all facilities-based long distance carriers that routed calls to QuickTel, Inc., categorized according to the list of toll-free and access code numbers identified in "a" above.

Intermediate Carrier Reports

- a. As of the date of the report, QuickTel, Inc. operates as a completing carrier only and, as a result, does not switch payphone originated calls to other facilities-based long distance carriers; therefore, QuickTel, Inc. does not fall under the intermediate carrier reporting requirements set forth in the order.
7. QuickTel, Inc. has developed and implemented procedures and controls internally or through Atlantax Systems, Inc. to identify, respond to, and resolve disputes.
 8. QuickTel, Inc. has developed and implemented controls around the payphone tracking process to ensure the number of payphone records that fall-out of the process are insubstantial.
 9. QuickTel, Inc. has developed a process and business rules that accurately identify:
 - a. Payphone originated calls -
 - i. QuickTel, Inc. identifies payphone originated coinless calls utilizing two parameters in accordance with industry standards as follows:
 1. Coinless calls with ANI II digit of 27 or 70; and
 2. Have a connect time value of greater than or equal to zero.
 - b. Completed payphone calls that are compensable to the payphone service providers -
 - i. Payphone calls that are compensable to the payphone service providers are identified as completed coinless calls utilizing two parameters in accordance with industry standards as follows:

1. Coinless calls with ANI II digit of 27 or 70; and
 2. Have an answer duration of greater than zero.
- c. Payphone calls that are incomplete or otherwise non-compensable
- i. Incomplete payphone calls that are otherwise non-compensable to the payphone service providers are identified as coinless calls utilizing two parameters in accordance with industry standards as follows:
 1. Coinless calls with ANI II digit of 27 or 70; and
 2. Have an answer duration equal to zero.
- d. Determine the identity of the payphone service providers to which QuickTel, Inc. owes compensation.
- i. The identity of the payphone service provider is determined by Atlantax Systems, Inc., our third-party payphone compensatory clearinghouse, based on information from QuickTel, Inc.'s call records.
 - ii. All information required to identify the payphone service provider is received and maintained by Atlantax Systems, Inc., our third-party payphone compensatory clearinghouse.

Dial Around Compensation Contact:

QuickTel, Inc.
Clare McNeil
Operation Manager
QuickTel, Inc.
(908) 965-3206
clare.mcneil@quicktelusa.com